

IRS News Release

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IRS Debunks Frivolous Tax Arguments

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WASHINGTON — The Internal Revenue Service today released the 2011 version of its discussion and rebuttal of many of the more common frivolous arguments made by individuals and groups that oppose compliance with federal tax laws.

Anyone who contemplates arguing on legal grounds against paying their fair share of taxes should first read the 84-page document, [The Truth About Frivolous Tax Arguments](#).

The document explains many of the common frivolous arguments made in recent years and it describes the legal responses that refute these claims. It will help taxpayers avoid wasting their time and money with frivolous arguments and incurring penalties.

Congress in 2006 increased the amount of the penalty for frivolous tax returns from \$500 to \$5,000. The increased penalty amount applies when a person submits a tax return or other specified submission, and any portion of the submission is based on a position the IRS identifies as frivolous.

The 2011 version of the IRS document includes numerous recently decided cases that continue to demonstrate that frivolous positions have no legitimacy.

Frivolous arguments include contentions that taxpayers can refuse to pay income taxes on religious or moral grounds by invoking the First Amendment; that the only “employees” subject to federal income tax are employees of the federal government; and that only foreign-source income is taxable.

In addition, the document highlights cases involving injunctions against preparers and promoters of Form 1099-Original Issue Discount schemes, and the imposition of criminal and civil penalties on taxpayers who claimed they were not citizens of the United States for federal income tax purposes.